

Morgan Lewis

Tamar E. Finn
Danielle Burt

tamar.finn@morganlewis.com
danielle.burt@morganlewis.com

March 21, 2019

Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-A325
Washington, DC 20554

**Re: NOTICE OF EX PARTE
CG Docket No. 13-24 - In the Matter of the Misuse of Internet Protocol (IP)
Captioned Telephone Service; CG Docket No. 03-123 - Telecommunications
Relay Services and Speech-to-Speech Services for Individuals with Hearing
and Speech Disabilities**

Dear Ms. Dortch:

ClearCaptions, LLC ("ClearCaptions"), through its undersigned counsel, files this *ex parte* notice of a March 19, 2019, telephone conference between Michael Strecker, Vice President of Regulatory and Strategic Policy of ClearCaptions, and Eliot Greenwald, Deputy Chief of the Disabilities Rights Division.

Mr. Strecker shared with Mr. Greenwald that ClearCaptions continues to advocate for a long-term solution versus a short-term fix to the IP CTS rate structure. As such, the Company continues to promote a 4 tier rate model previously shared with the Commission.¹ ClearCaptions believes the 4 tier model achieves many of the Commission's desired goals:

- Ensures providers are not earning unreasonable operating margins
- Ensures competition
- Ensures that as providers grow they are forced to achieve economies of scale
- Protects the TRS Fund

¹ See Initial Comments of ClearCaptions, LLC, CG Docket Nos. 13-24 and 03-123, at 11-23 (filed Sept. 17, 2018); Reply Comments of ClearCaptions, LLC, CG Docket Nos. 13-24 and 03-123, at 5-6 (filed Oct. 16, 2018); see also ClearCaptions, LLC Ex Parte, CG Docket Nos. 13-24 and 03-123, Exhibit 1 at slides 8-9 (filed Nov. 7, 2018).

Morgan, Lewis & Bockius LLP

1111 Pennsylvania Avenue, NW
Washington, DC 20004
United States

T +1.202.739.3000
F +1.202.739.3001

If the Commission needs to implement an emergency rate freeze for the smallest provider to ensure the next round of rate cuts that take effect on July 1, 2019 do not prematurely force them out of the industry, the Commission could follow its VRS precedent that adopted an emergency rate freeze for those providers who had not yet achieved the necessary scale to survive the upcoming rate cuts. ClearCaptions agrees that competition is good for the IP CTS industry and therefore a limited IP CTS rate freeze for the smallest provider would be reasonable, supported by precedent and well founded.

Mr. Strecker further clarified that the Company's position is based on the assumption that the Commission does not adopt additional changes to how IP CTS is administered, service quality metrics, and/or customer eligibility/registration processes. Any changes to the current IP CTS minimum service requirements/provider obligations should include a discussion about how they impact operating costs and thus reimbursement rates. ClearCaptions appreciates the Commission's clarification in the recent Report & Order regarding the ability for providers to be reimbursed for exogenous costs associated with the implementation of the TRS User Registration Database. In that instance, the Commission took into consideration the incremental costs the TRS-URD would place on providers and adopted a means to ensure Providers are reimbursed for those incremental exogenous costs. To the extent the Commission adopts additional IP CTS requirements, it should evaluate the impact of such requirements on providers' costs and reimbursement rates.

If at the end of the current two-year rate glide path a long-term solution is not yet implemented, ClearCaptions would agree that the then-current rate should be frozen until such time as a long-term financially viable rate model is adopted.

ClearCaptions looks forward to working with the Commission on identifying a long-term rate solution for IP CTS and stands ready to continue those productive discussions.

Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Tamar Finn

Tamar E. Finn
Danielle Burt

Counsel to ClearCaptions, LLC

cc: Eliot Greenwald (Via E-Mail)
Michael Carowitz
Travis Litman
Arielle Roth
Jamie Susskind
Randy Clarke